
CONTRACTOR'S EDUCATIONAL TRUST FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2012



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Trustees
Contractor's Educational Trust Fund
Baton Rouge, Louisiana

We have reviewed the accompanying statements of financial position of Contractor's Educational Trust Fund (the Fund) as of December 31, 2012, 2011, 2010, and 2009, and the related statements of activities and net assets and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Fund's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 26, 2013

CONTRACTOR'S EDUCATIONAL TRUST FUND
BATON ROUGE, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012, 2011, 2010, AND 2009

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>				
Cash and cash equivalents	\$ 1,604,875	\$ 1,421,664	\$ 1,228,563	\$ 1,038,951
Accrued interest	<u>13</u>	<u>16</u>	<u>6</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,604,888</u>	<u>\$ 1,421,680</u>	<u>\$ 1,228,569</u>	<u>\$ 1,038,951</u>
 <u>NET ASSETS</u>				
Unrestricted	<u>\$ 1,604,888</u>	<u>\$ 1,421,680</u>	<u>\$ 1,228,569</u>	<u>\$ 1,038,951</u>

The accompanying notes are an integral part of these financial statements.

CONTRACTOR'S EDUCATIONAL TRUST FUND
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011, 2010, AND 2009

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>				
Contributions received	\$ 258,442	\$ 242,095	\$ 327,184	\$ 454,109
Interest income	68	98	590	3
Total revenues	<u>258,510</u>	<u>242,193</u>	<u>327,774</u>	<u>454,112</u>
<u>EXPENSES</u>				
General				
Accounting services	1,475	2,400	2,400	2,400
Bank custodial fees	4,042	3,756	3,457	3,153
Dues	6,000	6,000	6,617	6,000
Insurance	1,789	2,030	2,106	2,054
Post office box rental	104	-	40	-
Legal	6,402	-	-	-
	<u>19,812</u>	<u>14,186</u>	<u>14,620</u>	<u>13,607</u>
Program				
Contributions made	50,000	30,000	115,000	60,000
Training	5,490	4,896	8,536	-
	<u>55,490</u>	<u>34,896</u>	<u>123,536</u>	<u>60,000</u>
Total expenses	<u>75,302</u>	<u>49,082</u>	<u>138,156</u>	<u>73,607</u>
Change in net assets	<u>183,208</u>	<u>193,111</u>	<u>189,618</u>	<u>380,505</u>
<u>NET ASSETS - UNRESTRICTED</u>				
Beginning of year	<u>1,421,680</u>	<u>1,228,569</u>	<u>1,038,951</u>	<u>658,446</u>
End of year	<u>\$ 1,604,888</u>	<u>\$ 1,421,680</u>	<u>\$ 1,228,569</u>	<u>\$ 1,038,951</u>

The accompanying notes are an integral part of these financial statements.

CONTRACTOR'S EDUCATIONAL TRUST FUND
BATON ROUGE, LOUISIANA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012, 2011, 2010, AND 2009

SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Change in net assets	\$ 183,208	\$ 193,111	\$ 189,618	\$ 380,505
Adjustments to reconcile changes in net assets to net cash provided by operating activities:				
Changes in operating assets and liabilities:				
Accrued interest	3	(10)	(6)	15
Net cash provided by operating activities	<u>183,211</u>	<u>193,101</u>	<u>189,612</u>	<u>380,520</u>
Net change in cash and cash equivalents	183,211	193,101	189,612	380,520
Cash and cash equivalents, beginning of year	<u>1,421,664</u>	<u>1,228,563</u>	<u>1,038,951</u>	<u>658,431</u>
Cash and cash equivalents, end of year	<u>\$ 1,604,875</u>	<u>\$ 1,421,664</u>	<u>\$ 1,228,563</u>	<u>\$ 1,038,951</u>

The accompanying notes are an integral part of these financial statements.

CONTRACTOR'S EDUCATIONAL TRUST FUND

NOTES TO FINANCIAL STATEMENTS

1. Description of Fund

The Contractor's Educational Trust Fund (the Fund) was established to provide funds to Universities in Louisiana who meet the eligibility requirements to further the education of interested persons in the field of construction contracting in and for the State of Louisiana.

2. Significant Accounting Policies

Basis of Accounting

The Fund prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows generally accepted accounting principles (GAAP), which requires the Fund to report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Fund did not have any temporary or permanently restricted net assets at December 31, 2012, 2011, 2010, or 2009.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. For the years ended December 31, 2012, 2011, 2010, and 2009, 100% of the contributions received were provided by the Louisiana State Licensing Board for Contractors. There were no temporary or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash Flow Statements

For the purposes of the Statements of Cash Flows, the Fund considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

CONTRACTOR'S EDUCATIONAL TRUST FUND

NOTES TO FINANCIAL STATEMENTS

2. Significant Accounting Policies (continued)

Income Taxes

The Fund has been recognized by the Internal Revenue Service as a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Fund received a letter from the IRS dated August 26, 1996, stating such exemption. Accordingly, no provision for income taxes has been made. However, should the Fund engage in activities unrelated to the purpose for which it was created could result in taxable income. The Fund had no unrelated business income for the fiscal years ended December 31, 2012, 2011, 2010, or 2009. In Management's judgment, the Fund does not have any tax positions that would result in a loss contingency considering the facts, circumstances, and information available at the reporting date. With few exceptions, the statute of limitation for the examination of the Fund's income tax returns is generally three years from the due date of the tax returns including extensions. The tax years open for assessment are the years ending on or after December 31, 2009.

3. Custodial Credit Risk

There are times the Funds cash balances with financial institutions may be in excess of the FDIC insured limits. The Fund has not experienced any losses in its cash accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

4. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, August 26, 2013, and determined that no events occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Contractor's Educational Trust Fund
Baton Rouge, Louisiana

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Contractor's Educational Trust Fund (the Fund), the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Contractor's Educational Trust Fund's compliance with certain laws and regulations during the years ended December 31, 2012, 2011, 2010 and 2009, included in the accompanying Louisiana Attestation Questionnaire. Management of Contractor's Education Trust Fund is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

No grants were received by the Fund during the years ended December 31, 2009, 2010, 2011, or 2012. All revenue received were in the form of contributions from the Louisiana Contractors Licensing Board. These funds were used to fulfill the purpose of the Fund as established in its trust document.

2. For each federal, state, and local award, randomly select six disbursements from each award administered during the period under examination, provided that no more than 30 disbursements would be selected.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

3. For the items selected in Procedure 2, trace the six disbursements to supporting documentation as to proper amount and payee.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

4. For the items selected in Procedure 2, determine if the six disbursements are properly coded to the correct fund and general ledger account.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

5. For the items selected in Procedure 2, determine whether the six disbursements received approval from proper authorities.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

6. For the items selected in Procedure 2: For federal awards, determine whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, determine whether the disbursements comply with the grant agreement, relating to:

Activities allowed or unallowed

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

Eligibility

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

Reporting

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

7. For the programs selected for testing in Procedure 2 that had been closed out during the period under review, compare the close-out report, when required, with the agency's financial records to determine whether the amounts agree.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

Open Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

Contractor's Educational Trust Fund is required to post a notice of each meeting and the accompanying agenda on the door of the Contractor's Educational Trust Fund's office building. Management has asserted that they are not subject to the open meetings law and no such notices were made.

Budget

9. For all grants exceeding five thousand dollars, determine that each applicable federal, state, or local grantor agency/agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Not applicable due to no grants being received during the years ended December 31, 2009, 2010, 2011, or 2012.

Prior Comments and Recommendations

10. Review any prior-year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

No prior comments.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Contractor's Education Trust Fund, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Podlethwaite & Netterville

Baton Rouge, Louisiana
August 26, 2013

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

7-19-13 (Date Transmitted)

Postlethwaite & Netterville

8550 United Plaza Blvd., Suite 1001

Baton Rouge, LA 70809

(Auditors)

In connection with your review of our financial statements as of 12/09, 12/10, 12/11, & 12/12 and for the period then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

We followed the trust documents as per expenditures.

Yes ☐ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

There is no reporting required to the licensing board

Yes ☐ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

No required filing.

Yes ☐ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

No outside requirements but we have complied with trust documents

Yes ☐ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law).

We don't feel that we fall under the open meetings law.

Yes ☐ No ☒

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

N/A

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

<u>Ken Naquin</u>	<u>Secretary</u>	<u>7-19-13</u>	<u>Date</u>
<u>Victor Weston</u>	<u>Co-Chairman</u>	<u>7-19-13</u>	<u>Date</u>
<u>Patrick Gootee</u>	<u>Chairman</u>	<u>7-19-13</u>	<u>Date</u>

CONTRACTOR'S EDUCATION TRUST FUND

SCHEDULE OF FINDINGS

FOR THE YEARS ENDED DECEMBER 31, 2012, 2011, 2010, AND 2009

2012-01 Annual Financial Statements

Criteria: LSA-R.S. 33:463 requires that the Contractor's Education Trust Fund (the Fund) produce an annual financial statement in accordance with generally accepted accounting principles and that the financial statement be transmitted to the Legislative Auditor within six months of the close of the fiscal year.

Condition: The Fund has not complied with this requirement for the years ended December 31, 2012, 2011, 2010, and 2009 in a timely manner.

Cause: The above deficiency is a result of the determination that the Fund is a quasi-public entity during 2012. The Fund was asked to provide reviewed financial statements for the four years from 2009 to 2012. As a result, the Fund needed additional time to compile the necessary information

Recommendation: The annual financial statement should be submitted to the legislative auditor within six months of the close of the fiscal year.

View of Responsible Official and Planned Corrective Action: We will submit the annual financial statements to the Legislative Auditor within six months of the close of the fiscal year in future years.

2012-02 Open Meetings

Criteria: LSA-R.S. 42:11 through 42:28 requires that agendas for meetings recorded in the minute book to be posted as an open meeting.

Condition: The Fund has not complied with this requirement for the years ended December 31, 2012, 2011, 2010, and 2009.

Cause: The above deficiency is a result of the determination that the Fund is a quasi-public entity during 2012 and was not aware of the requirement.

Recommendation: Contractor's Educational Trust Fund should post a notice of each meeting and the accompanying agenda on the door of the Contractor's Educational Trust Fund's office building.

View of Responsible Official and Planned Corrective Action: Management will review the statute to determine if they are required to comply with this requirement. If they are required to comply they will do so.